

# Overseas Mortgage Finder

Monthly Overseas Mortgage Report



July 2011

## Highlights

- 20% increase in overseas mortgage enquires.
- Greek mortgages are still available despite the debt crisis.
- Proposed foreign property tax in France has been dropped.

## Commentary

At a time when the domestic housing and mortgage market seems to be suffering from a lack of demand, our experience in the overseas property and finance market has seen a 20% surge in new enquiries in June. Evidence that the UK market is stagnating can be seen in the increasing price wars being waged by high street players, which indicates that the buying public is either reluctant to move, unable to get on the property ladder, or don't qualify for the best deals because criteria is too strict. Because of this we believe more people are now starting to look abroad when it comes buying property because it offers them; access to more properties with bigger discounts, cheaper property prices meaning more people can afford to get on the property ladder and access to cheaper mortgages than currently being offered in the UK.

Looking across Europe, the problems surrounding the Eurozone continue to dominate financial headlines and it should be noted that among all the bad news, Spanish mortgage interest rates jumped dramatically as evidenced by our lowest interest rate by country chart from 2.30% to 3.29%.

Greece however, is being seen as the weakest link and with obvious concerns surrounding the stability of the Euro and public outrage over the imposition of austerity measures, many potential investors might consider Greece as the last place to invest. However, property prices are already reflecting the large discounts available and there are mortgages still available to international buyers, with interest rates that start from a very competitive 3.832%. However no fixed rate, remortgage, or interest only options are currently available, with lending for holiday homes starting from 50,000 Euros.

Last month there was some really good news for overseas property investors in France. The proposed tax on second properties which are not rented out all year round has now been dropped by the French government. This new tax was due to become law at the beginning of 2012, but a last minute change of mind has now seen it kicked into touch. Currently UK property investors represent over half of the owners of second homes in France and this new tax would have seen them pay up to 20% of the notional rental value every year. Mortgages are currently available to foreign investors who want to own and let out a property in France up to 80% of the property's purchase price. Interest rates start from a very competitive 2.09% (variable) and 3.45% (fixed), with lending available from just 21,500 Euros for individuals up to the age of 80.

## Statistics

### Top 10 Countries By Enquiries

Chart Position	Country	Mortgage Enquiries	Monthly Chart Change
1	USA	12.89%	-
2	Spain	12.76%	Up 1
3	Italy	7.03%	Up 1
4	Turkey	6.64%	Up 1
5	France	5.85%	Down 3
6	Portugal	5.07%	Up 2
7	Poland	4.29%	Up 3
8	Ireland	3.91%	Down 2
9	South Africa	3.51%	Up 4
10	Cyprus	3.13%	Down 1

### Top 10 Countries By Highest Loan To Value (LTV)

Chart Position	Country	LTV Available	Monthly Chart Change
1	Poland	100%	-
-	Portugal	100%	-
-	Spain	100%	-
2	France	85%	-
-	India	85%	Up 1
3	Italy	80%	-
4	Romania	75%	-
-	USA	75%	-
-	Turkey	75%	-
-	Ireland	75%	-

### Top 10 Countries By Lowest Interest Rate

Chart Position	Country	Initial Interest Rate	Monthly Chart Change
1	Australia	2.09%	-
-	Singapore	2.09%	-
-	Canada	2.09%	-
-	France	2.09%	-
-	Hong Kong	2.09%	-
2	Portugal	2.80%	Up 1
3	Italy	3.25%	Up 1
4	Malta	3.28%	Up 1
5	Spain	3.29%	Down 3
6	United Kingdom	3.75%	Up 2